

FLORENTINA A. LOZANO, PETITIONER, VS. THE HONORABLE ANTONIO M. MARTINEZ, IN HIS CAPACITY AS PRESIDING JUDGE, REGIONAL TRIAL COURT, NATIONAL CAPITAL JUDICIAL REGION, BRANCH XX, M...

G.R. No. 63419. December 18, 1986

Ponente: YAP, J.

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YAP, J.:

The constitutionality of Batas Pambansa Bilang 22 (BP 22 for short), popularly known as the Bouncing Check Law, which was approved on April 3, 1979, is the sole issue presented by these petitions for decision. The question is definitely one of first impression in our jurisdiction.

These petitions arose from cases involving prosecution of offenses under the statute. The defendants in those cases moved seasonably to quash the informations on the ground that the acts charged did not constitute an offense, the statute being unconstitutional. The motions were denied by the respondent trial courts, except in one case, which is the subject of G.R. No. 75789, wherein the trial court declared the law unconstitutional and dismissed the case. The parties adversely affected have come to us for relief.

As a threshold issue the former Solicitor General, in his comment on the petitions, maintained the posture that it was premature for the accused to elevate to this Court the orders denying their motions to quash, these orders being interlocutory. While this is correct as a general rule, we have in justifiable cases intervened to review the lower court's denial of a motion to quash.[1] In view of the importance of the issue involved here, there is no doubt in our mind that the instant petitions should be entertained and the constitutional challenge to BP 22 resolved promptly, one way or the other, in order to put to rest the doubts and uncertainty that exist in legal and judicial circles and the general public which have unnecessarily caused a delay in the disposition of cases involving the enforcement of the statute.

For the purpose of resolving the constitutional issue presented here, we do not find it necessary to delve into the specifics of the informations involved in the cases which are the subject of the petitions before us.[2] The language of BP 22 is broad enough to cover all kinds of checks, whether present dated or postdated, or whether issued in payment of pre-existing obligations or given in mutual or simultaneous exchange for something of value.

I

BP 22 punishes a person "who makes or draws and issues any check on account or for value, knowing at the time of issue that he does not have sufficient funds in or credit with the drawee bank for the payment of said check in full upon presentment, which check is subsequently dishonored by the drawee bank for insufficiency of funds or credit or would have been dishonored for the same reason had not the drawer, without any valid reason, ordered the bank to stop payment." The penalty prescribed for the offense is imprisonment of not less than 30 days nor more than one year or a fine of not less than the amount of the check nor more than double said amount, but in no

case to exceed P200,000.00, or both such fine and imprisonment at the discretion of the court.[3]

The statute likewise imposes the same penalty on "any person who, having sufficient funds in or credit with the drawee bank when he makes or draws and issues a check, shall fail to keep sufficient funds or to maintain a credit to cover the full amount of the check if presented within a period of ninety (90) days from the date appearing thereon, for which reason it is dishonored by the drawee bank.[4]

An essential element of the offense is "knowledge" on the part of the maker or drawer of the check of the insufficiency of his funds in or credit with the bank to cover the check upon its presentment. Since this involves a state of mind difficult to establish, the statute itself creates a prima facie presumption of such knowledge where payment of the check "is refused by the drawee because of insufficient funds in or credit with such bank when presented within ninety (90) days from the date of the check.[5] To mitigate the harshness of the law in its application, the statute provides that such presumption shall not arise if within five (5) banking days from receipt of the notice of dishonor, the maker or drawer makes arrangements for payment of the check by the bank or pays the holder the amount of the check.

Another provision of the statute, also in the nature of a rule of evidence, provides that the introduction in evidence of the unpaid and dishonored check with the drawee bank's refusal to pay "stamped or written thereon or attached thereto, giving the reason therefor," shall constitute prima facie proof of "the making or issuance of said check, and the due presentment to the drawee for payment and the dishonor thereof . . . for the reason written, stamped or attached by the drawee on such dishonored check." [6]

The presumptions being merely prima facie, it is open to the accused of course to present proof to the contrary to overcome the said presumptions.

II

BP 22 is aimed at putting a stop to or curbing the practice of issuing checks that are worthless, i.e. checks that end up being rejected or dishonored for payment. The practice, as discussed later, is proscribed by the state because of the injury it causes to the public interests.

Before the enactment of BP 22, provisions already existed in our statute books which penalize the issuance of bouncing or rubber checks. Criminal law has dealt with the problem within the context of crimes against pro-property punished as "estafa" or crimes involving fraud and deceit. The focus of these penal provisions is on the damage caused to the property rights of the victim.

The Penal Code of Spain, which was in force in the Philippines from 1887 until it was replaced by the Revised Penal Code in 1932, contained provisions penalizing, among others, the act of defrauding another through false pretenses. Art. 335 punished a person who defrauded another "by falsely pretending to possess any power, influence, qualification, pro-property, credit, agency or business, or by means of similar deceit." Although no explicit mention was made therein regarding checks, this provision was deemed to cover within its ambit the issuance of worthless or bogus checks in exchange for money.[7]

In 1926, an amendment was introduced by the Philippine Legislature, which added a new clause (paragraph 10) to Article 335 of the old Penal Code, this time referring in explicit terms to the issuance of worthless checks. The amendment penalized any person who: 1) issues a check in payment of a debt or for other valuable consideration, knowing at the time of its issuance that he does not have sufficient funds in the bank to cover its amount, or 2) maliciously signs the check differently from his authentic signature as registered at the bank in order that the latter would refuse to honor it; or 3) issues a postdated check and, at the date set for its payment, does not have sufficient deposit to cover the same.[8]

In 1932, as already adverted to, the old Penal Code was superseded by the Revised Penal Code.[9] The above provisions, in amended form, were incorporated in Article 315 of the Revised Penal Code defining the crime of estafa. The revised text of the provision read as follows:

"Art. 315. Swindling (estafa). - Any person who shall defraud another by any of the means mentioned herein-below shall be punished by:

x x x x x x x x

2. By means of any of the follow-ing false pretenses or fraudulent acts executed prior to or simultaneously with the commission of the fraud:

a. By using fictitious name, or falsely pretending to possess power, influence, qualifications, property, credit, agency, business or imaginary transactions, or by means of other similar deceptions;

x x x x x x x x

d. By postdating a check, or issuing a check in payment of an obligation the offender knowing that at the time he had no funds in the bank, or the funds deposited by him were not sufficient to cover the amount of the check without informing the payee of such circumstances."

The scope of paragraph 2 (d), however, was deemed to exclude checks issued in payment of pre-existing obligations.[10] The rationale of this interpretation is that in estafa, the deceit causing the defraudation must be prior to or simultaneous with the commission of the fraud. In issuing a check as payment for a pre-existing debt, the drawer does not derive any material benefit in return or as consideration for its issuance. On the part of the payee, he had already parted with his money or property before the check is issued to him, hence, he is not defrauded by means of any "prior" or "simultaneous" deceit perpetrated on him by the drawer of the check.

With the intention of remedying the situation and solving the problem of how to bring checks issued in payment of pre-existing debts within the ambit of Art. 315, an amendment was introduced by the Congress of the Philippines in 1967[11], which was enacted into law as Republic Act No. 4885, revising the aforesaid proviso to read as follows:

"(d) By postdating a check, or issuing a check in payment of an obligation when the offender had no funds in the bank, or his funds deposited therein were not sufficient to cover the amount of the check. The failure of the drawer of the check to deposit the amount necessary to cover his check within three (3) days from receipt of notice from the bank and/or the payee or holder that said check has been dishonored for lack or insufficiency of funds shall be prima facie evidence of deceit constituting false pretense or fraudulent act."

However, the adoption of the amendment did not alter the situation materially. A divided Court held in *People vs. Sabio, Jr.*[12] that Article 315, as amended by Republic Act 4885, does not cover checks issued in payment of pre-existing obligations, again relying on the concept underlying the crime of estafa through false pretenses or deceit - which is, that the deceit or false pretenses must be prior to or simultaneous with the commission of the fraud.

Since statistically it had been shown that the greater bulk of dishonored checks consisted of those issued in payment of pre-existing debts,[13] the amended provision evidently failed to cope with the real problem and to deal effectively with the evil that it was intended to eliminate or minimize.

With the foregoing factual and legal antecedents as a backdrop, the then Interim Batasan confronted the problem squarely. It opted to take a bold step and decided to enact a law dealing with the problem of bouncing or worthless checks, without attaching the law's umbilical cord to the existing penal provisions on estafa. BP 22 addresses the

problem directly and frontally and makes the act of issuing a worthless check *malum prohibitum*.^[14]

The question now arises: Is BP 22 a valid law?

Previous efforts to deal with the problem of bouncing checks within the ambit of the law on estafa did not evoke any constitutional challenge. In contrast, BP 22 was challenged promptly.

Those who question the constitutionality of BP 22 insist that: (1) it offends the constitutional provision forbidding imprisonment for debt; (2) it impairs freedom of contract; (3) it contravenes the equal protection clause; (4) it unduly delegates legislative and executive powers; and (5) its enactment is flawed in that during its passage the Interim Batasan violated the constitutional provision prohibiting amendments to a bill on Third Reading.

The constitutional challenge to BP 22 posed by petitioners deserves a searching and thorough scrutiny and the most deliberate consideration by the Court, involving as it does the exercise of what has been described as "the highest and most delicate function which belongs to the judicial department of the government."^[15]

As we enter upon the task of passing on the validity of an act of a co-equal and coordinate branch of the government, we need not be reminded of the time-honored principle, deeply ingrained in our jurisprudence, that a statute is presumed to be valid. Every presumption must be indulged in favor of its constitutionality. This is not to say that we approach our task with diffidence or timidity. Where it is clear that the legislature has overstepped the limits of its authority under the constitution, we should not hesitate to wield the axe and let it fall heavily, as fall it must, on the offending statute.

III

Among the constitutional objections raised against BP 22, the most serious is the alleged conflict between the statute and the constitutional provision forbidding imprisonment for debt. It is contended that the statute runs counter to the inhibition in the Bill of Rights which states, "No person shall be imprisoned for debt or non-payment of a poll tax."^[16] Petitioners insist that, since the offense under BP 22 is consummated only upon the dishonor or non-payment of the check when it is presented to the drawee bank, the statute is really a "bad debt law" rather than a "bad check law". What it punishes is the non-payment of the check, not the act of issuing it. The statute, it is claimed, is nothing more than a veiled device to coerce payment of a debt under the threat of penal sanction.

First of all, it is essential to grasp the essence and scope of the constitutional inhibition invoked by petitioners. Viewed in its historical context, the constitutional prohibition against imprisonment for debt is a safeguard that evolved gradually during the early part of the nineteenth century in the various states of the American Union as a result of the people's revulsion at the cruel and inhumane practice, sanctioned by common law, which permitted creditors to cause the incarceration of debtors who could not pay their debts. At common law, money judgments arising from actions for the recovery of a debt or for damages from breach of a contract could be enforced against the person or body of the debtor by writ of *capias ad satisfaciendum*. By means of this writ, a debtor could be seized and imprisoned at the instance of the creditor until he makes the satisfaction awarded. As a consequence of the popular ground swell against such a barbarous practice, provisions forbidding imprisonment for debt came to be generally enshrined in the constitutions of various states of the Union.^[17]

This humanitarian provision was transported to our shores by the Americans at the turn of the century and embodied in our organic laws.^[18] Later, our fundamental law outlawed not only imprisonment for debt, but also the infamous practice, native to our shore, of throwing people in jail for non-payment of the *cedula* or poll tax.^[19]

The reach and scope of this constitutional safe-guard have been the subject of judicial definition, both by our Supreme Court[20] and by American state courts.[21] Mr. Justice Malcolm, speaking for the Supreme Court in *Ganaway vs. Quillen*,[22] stated: "The 'debt' intended to be covered by the constitutional guaranty has a well-defined meaning. Organic provisions relieving from imprisonment for debt, were intended to prevent commitment of debtors to prison for liabilities arising from actions *ex contractu*. The inhibition was never meant to include damages arising in actions *ex delicto*, for the reason that damages recoverable therein do not arise from any contract entered into between the parties but are imposed upon the defendant for the wrong he has done and are considered as punishment, nor to fines and penalties imposed by the courts in criminal proceedings as punishments for crime."

The law involved in *Ganaway* was not a criminal statute but the Code of Procedure in Civil Actions (1909) which authorized the arrest of the defendant in a civil case on grounds akin to those which justify the issuance of a writ of attachment under our present Rules of Court, such as imminent departure of the defendant from the Philippines with intent to defraud his creditors, or concealment, removal or disposition of properties in fraud of creditors, etc. The Court, in that case, declared the detention of the defendant unlawful, being violative of the constitutional inhibition against imprisonment for debt, and ordered his release. The Court, however, refrained from declaring the statutory provision in question unconstitutional.

Closer to the case at bar is *People v. Vera Reyes*,[23] wherein a statutory provision which made illegal and punishable the refusal of an employer to pay, when he can do so, the salaries of his employees or laborers on the fifteenth or last day of every month or on Saturday every week, was challenged for being violative of the constitutional prohibition against imprisonment for debt. The constitutionality of the law in question was upheld by the Court, it being within the authority of the legislature to enact such a law in the exercise of the police power. It was held that "one of the purposes of the law is to suppress possible abuses on the part of the employers who hire laborers or employees without paying them the salaries agreed upon for their services, thus causing them financial difficulties." The law was viewed not as a measure to coerce payment of an obligation, although obviously such could be its effect, but to banish a practice considered harmful to public welfare.

IV

Has BP 22 transgressed the constitutional inhibition against imprisonment for debt? To answer the question, it is necessary to examine what the statute prohibits and punishes as an offense. Is it the failure of the maker of the check to pay a debt? Or is it the making and issuance of a worthless check in payment of a debt? What is the gravamen of the offense? This question lies at the heart of the issue before us.

The gravamen of the offense punished by BP 22 is the act of making and issuing a worthless check or a check that is dishonored upon its presentation for payment. It is not the non-payment of an obligation which the law punishes. The law is not intended or designed to coerce a debtor to pay his debt. The thrust of the law is to prohibit, under pain of penal sanctions, the making of worthless checks and putting them in circulation. Because of its deleterious effects on the public interest, the practice is proscribed by the law. The law punishes the act not as an offense against property, but an offense against public order.

Admittedly, the distinction may seem at first blush to appear elusive and difficult to conceptualize. But precisely in the failure to perceive the vital distinction lies the error of those who challenge the validity of BP 22.

It may be constitutionally impermissible for the legislature to penalize a person for non-payment of a debt *ex contractu*. But certainly it is within the prerogative of the lawmaking body to proscribe certain acts deemed pernicious and inimical to public welfare. Acts *mala in se* are not the only acts which the law can punish. An act may not be considered by society as inherently wrong, hence not *malum in se*, but because of the harm that it

inflicts on the community, it can be outlawed and criminally punished as *malum prohibitum*. The state can do this in the exercise of its police power.

The police power of the state has been described as "the most essential, insistent and illimitable of powers" which enables it to prohibit all things hurtful to the comfort, safety and welfare of society.[24] It is a power not emanating from or conferred by the constitution, but inherent in the state, plenary, "suitably vague and far from precisely defined, rooted in the conception that man in organizing the state and imposing upon the government limitations to safeguard constitutional rights did not intend thereby to enable individual citizens or group of citizens to obstruct unreasonably the enactment of such salutary measures to ensure communal peace, safety, good order and welfare." [25]

The enactment of BP 22 is a declaration by the legislature that, as a matter of public policy, the making and issuance of a worthless check is deemed a public nuisance to be abated by the imposition of penal sanctions.

It is not for us to question the wisdom or im-policy of the statute. It is sufficient that a reasonable nexus exists between means and end. Considering the factual and legal antecedents that led to the adoption of the statute, it is not difficult to understand the public concern which prompted its enactment. It had been reported that the approximate value of bouncing checks per day was close to 200 million pesos, and thereafter when overdrafts were banned by the Central Bank, it averaged between 50 million to 80 million pesos a day.[26]

By definition, a check is a bill of exchange drawn on a bank and payable on demand.[27] It is a written order on a bank, purporting to be drawn against a deposit of funds for the payment at all events, of a sum of money to a certain person therein named or to his order or to cash, and payable on demand.[28] Unlike a promissory note, a check is not a mere undertaking to pay an amount of money. It is an order addressed to a bank and partakes of a representation that the drawer has funds on deposit against which the check is drawn, sufficient to ensure payment upon its presentation to the bank. There is therefore an element of certainty or assurance that the instrument will be paid upon presentation. For this reason, checks have become widely accepted as a medium of payment in trade and commerce. Although not legal tender, checks have come to be perceived as convenient substitutes for currency in commercial and financial transactions. The basis or foundation of such perception is confidence. If such confidence is shaken, the usefulness of checks as currency substitutes would be greatly diminished or may become nil. Any practice therefore tending to destroy that confidence should be deterred, for the proliferation of worthless checks can only create havoc in trade circles and the banking community.

Recent statistics of the Central Bank show that one-third of the entire money supply of the country, roughly totalling P32.3 billion, consists of peso demand deposits; the remaining two-thirds consists of currency in circulation.[29] These demand deposits in the banks constitute the funds against which, among others, commercial papers like checks, are drawn. The magnitude of the amount involved amply justifies the legitimate concern of the state in preserving the integrity of the banking system. Flooding the system with worthless checks is like pouring garbage into the bloodstream of the nation's economy.

The effects of the issuance of a worthless check transcends the private interests of the parties directly involved in the transaction and touches the interests of the community at large. The mischief it creates is not only a wrong to the payee or holder, but also an injury to the public. The harmful practice of putting valueless commercial papers in circulation, multiplied a thousandfold, can very well pollute the channels of trade and commerce, injure the banking system and eventually hurt the welfare of society and the public interest. As aptly stated -[30]

"The 'check flasher' does a great deal more than contract a debt; he shakes the pillars of business; and to my mind, it is a mistaken charity of judgment to place him in the same category with the honest man who is unable to pay his debts, and for whom the constitutional inhibition against 'imprisonment for debt, except in cases of

fraud' was intended as a shield and not a sword."

In sum, we find the enactment of BP 22 a valid exercise of the police power and is not repugnant to the constitutional inhibition against imprisonment for debt.

This Court is not unaware of the conflicting jurisprudence obtaining in the various states of the United States on the constitutionality of the "worthless check" acts.[31] It is needless to warn that foreign jurisprudence must be taken with abundant caution. A caveat to be observed is that substantial differences exist between our statute and the worthless check acts of those states where the jurisprudence have evolved. One thing to remember is that BP 22 was not lifted bodily from any existing statute. Furthermore, we have to consider that judicial decisions must be read in the context of the facts and the law involved and, in a broader sense, of the social, economic and political environment - - in short, the milieu - - under which they were made. We recognize the wisdom of the old saying that what is sauce for the goose may not be sauce for the gander.

As stated elsewhere, police power is a dynamic force that enables the state to meet the exigencies of changing times. There are occasions when the police power of the state may even override a constitutional guaranty. For example, there have been cases wherein we held that the constitutional provision on non-impairment of contracts must yield to the police power of the state.[32] Whether the police power may override the constitutional inhibition against imprisonment for debt is an issue we do not have to address. This bridge has not been reached, so there is no occasion to cross it.

We hold that BP 22 does not conflict with the constitutional inhibition against imprisonment for debt.

V

We need not detain ourselves lengthily in the examination of the other constitutional objections raised by petitioners, some of which are rather flimsy.

We find no valid ground to sustain the contention that BP 22 impairs freedom of contract. The freedom of contract which is constitutionally protected is freedom to enter into "lawful" contracts. Contracts which contravene public policy are not lawful.[33] Besides, we must bear in mind that checks can not be categorized as mere contracts. It is a commercial instrument which, in this modern day and age, has become a convenient substitute for money; it forms part of the banking system and therefore not entirely free from the regulatory power of the state.

Neither do we find substance in the claim that the statute in question denies equal protection of the laws or is discriminatory, since it penalizes the drawer of the check, but not the payee. It is contended that the payee is just as responsible for the crime as the drawer of the check, since without the indispensable participation of the payee by his acceptance of the check there would be no crime. This argument is tantamount to saying that, to give equal protection, the law should punish both the swindler and the swindled. The petitioners' posture ignores the well-accepted meaning of the clause "equal protection of the laws". The clause does not preclude classification of individuals, who may be accorded different treatment under the law as long as the classification is not unreasonable or arbitrary.[34]

It is also suggested that BP 22 constitutes undue or improper delegation of legislative powers, on the theory that the offense is not completed by the sole act of the maker or drawer but is made to depend on the will of the payee. If the payee does not present the check to the bank for payment but instead keeps it, there would be no crime. The logic of the argument stretches to absurdity the meaning of "delegation of legislative power". What cannot be delegated is the power to legislate, or the power to make laws,[35] which means, as applied to the present case, the power to define the offense sought to be punished and to prescribe the penalty. By no stretch of logic or

imagination can it be said that the power to define the crime and prescribe the penalty therefor has been in any manner delegated to the payee. Neither is there any provision in the statute that can be construed, no matter how remotely, as undue delegation of executive power. The suggestion that the statute unlawfully delegates its enforcement to the offended party is farfetched.

Lastly, the objection has been raised that Section 9 (2) of Article VII of the 1973 Constitution was violated by the legislative body when it enacted BP 22 into law. This constitutional provision prohibits the introduction of amendments to a bill during the Third Reading. It is claimed that during its Third Reading, the bill which eventually became BP 22 was amended in that the text of the second paragraph of Section 1 of the bill as adopted on Second Reading was altered or changed in the printed text of the bill submitted for approval on Third Reading.

A careful review of the record of the proceedings of the Interim Batasan on this matter shows that, indeed, there was some confusion among Batasan Members on what was the exact text of the paragraph in question which the body approved on Second Reading.[36] Part of the confusion was due apparently to the fact that during the deliberations on Second Reading (the amendment period), amendments were proposed orally and approved by the body or accepted by the sponsor, hence, some members might not have gotten the complete text of the provisions of the bill as amended and approved on Second Reading. However, it is clear from the records that the text of the second paragraph of Section 1 of BP 22 is the text which was actually approved by the body on Second Reading on February 7, 1979, as reflected in the approved Minutes for that day. In any event, before the bill was submitted for final approval on Third Reading, the Interim Batasan created a Special Committee to investigate the matter, and the Committee in its report, which was approved by the entire body on March 22, 1979, stated that "the clause in question was . . . an authorized amendment of the bill and the printed copy thereof reflects accurately the provision in question as approved on Second Reading.[37] We therefore find no merit in the petitioners' claim that in the enactment of BP 22 the provisions of Section 9 (2) of Article VIII of the 1973 Constitution were violated.

WHEREFORE, judgment is rendered granting the petition in G.R. No. 75789 and setting aside the order of the respondent Judge dated August 19, 1986. The petitions in G.R. Nos. 63419, 66839-42, 71654, 74524-25, 75122-49, 75812-13 and 75765-67 are hereby dismissed and the temporary restraining order issued in G.R. Nos. 74524-25 is lifted. With costs against private petitioners.

SO ORDERED.

Teehankee, C.J., Feria, Fernan, Narvasa, Melencio-Herrera, Alampay, Gutierrez, Jr., Cruz, Paras, and Feliciano, JJ., concur.

[1] *Salonga v. Cruz Pano*, 134 SCRA 438; *Mean v. Argel*, 115 SCRA 256; *Yap v. Lutero*, 105 Phil. 3007; *Pineda and Ampil Manufacturing Co. v. Bartolome*, 95 Phil. 930; *People v. Zulueta*, 89 Phil. 880; *Newsweek, Inc. v. Intermediate Appellate Court*, G.R. No. 63559, May 30, 1986, 142 SCRA 171.

[2] Postdated checks are involved in G.R. Nos. 66839-42, G.R. No. 71654 and G.R. No. 75789, present dated checks in G.R. No. 63419 and G.R. Nos. 75812-13, and a mix of present dated and postdated checks in G.R. Nos. 74524-25 and G.R. Nos. 7576567.

[3] Section 1, first paragraph.

[4] *Id.*, second paragraph.

[5] Section 2.

[6] Section 3.

[7] U.S. v. Mendezona, 12 Phil. 72; U.S. v. Lee, 39 Phil. 466.

[8] Act No. 3313, approved on December 3, 1926.

[9] Act No. 3815, which was approved on December 8, 1930, but took effect on January 1, 1932.

[10] People v. Lilius, 59 Phil. 339; People v. Quesada, 60 Phil. 515; People v. Fortuno, 73 Phil. 407.

[11] Senate Bill No. 413, sponsored by Sen. Ambrosio Padilla.

[12] 86 SCRA 568.

[13] Cited in Dissenting Opinion, Antonio, J. in People v. Sabio, Jr., supra, p. 600.

[14] The offense is punished not as a crime against property, but against public interest. See Record of Batasan, Vol. 3, P.B. No. 70.

[15] State v. Manuel, 20 N.C. 144.

[16] Section 13, Article IV, 1973 Constitution.

[17] For a survey of the constitutional provisions of various American States, see Tan Cong v. N. L. Stewart, 42 Phil. 809.

[18] Philippine Bill of 1902; Jones Law (1916).

[19] 1935 Constitution, Art. III, Sec. 1 (12); 1973 Constitution, Art. IV, Sec. 13.

[20] Tan Cong vs. N.L. Stewart (1907) 42 Phil. 809; Ganaway v. Quillen (1922), 42 Phil. 815.

[21] 16-A Am. Jur. 2d, 566-574.

[22] 42 Phil. 805, 807-808.

[23] 67 Phil. 187, 190.

[24] Smith, Bell & Co. v. National (1919), 40 Phil. 136; Rubi v. Prov. Bd. of Mindoro (1919).

[25] Fernando, J. in Edu v. Ericta, 35 SCRA 481.

[26] Dissenting Opinion, Antonio, J. in People v. Sabio, Jr., supra, p. 600.

[27] Section 185, Negotiable Instruments Law.

[28] Black's Law Dictionary (5th Ed.) p. 215.

[29] CB Review, August, 1986, p. 6. For example, for the month of August, 1986, the total money supply was P32.326 billion, of which P21.640 billion represented currency in circulation and P10.677 billion, peso demand deposits.

[30] Stacy, C.J., concurring in State v. Yarboro (1927) 194 N.C. 498 140 S.E. 216, 220.

[31] For a survey of decisions on the subject, see Annotations, 23 A.L.R. 459 and 76 A.L.R. 1229, Constitutionality upheld: Frazier v. State (1931) 135 So. 280; Ex parte Rosencratz (1931) 299 Pac. 15; Carter v. Lowry (1929) 167 Ga. 151 S.E. 23; Caughlan v. State (1927) 22 Ala. 220, 114 So. 280; State v. Yarboro (1927) 194 N.C. 498, 140, S.E. 216; State v. Avery (1922) 207 Pac. 838, 23 A.L.R. 453; Hollis v. State (1921) 152 Ga. 192, 108 S.E. 783; McQuagge v. State (1920) 80 Fla. 768, 87 So. 60; State v. Pilling (1909) 53 Wash. 464, 132

Am. St. Contra: State v. Nelson (1931) 237 N.W. 766, 76 A.L.R. 1226; Burnham v. Com. (1929) 228 Ky. 410, 15 S.W. (2d) 256; Ward v. Com. (1929) 228 Ky 468, 15 S.W. (2d) 276; Neidlinger v. State (1916) 17 Ga. App. 811, 88 S.E. 687; Carr v. State (1895) 106 Ala. 35, 34 L.R.A. 634.

[32] Phil. American Life Insurance Co. v. Auditor General, 22 SCRA 135.

[33] Article 1409, Civil Code.

[34] Tanada and Fernando, Constitution of the Phil. (1949 ed.) p. 534; Chong v. Hernandez, 101 Phil. 1155 (1952); Co Chiong v. Cuaderno, 83 Phil. 242 (1949).

[35] People v. Vera, 65 Phil. 56.

[36] Record of the Batasan, Vol. 3, R.B. No. 91 and No. 92.

[37] Ibid., Vol. 4, R.B. No. 120, page 185.

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